

No. **2026-9900**

**Official Order
of the
Texas Commissioner of Workers' Compensation**

Date: 4/28/2026

Subject Considered:

Indemnity Insurance Company of North America
5316 West Highway 290, Suite 340
Austin, Texas 78735-8934

Consent Order
DWC Enforcement File Nos. 38350, 38351, 38352 & 38371

General remarks and official action taken:

This is a consent order with Indemnity Insurance Company of North America (Respondent). The commissioner of the Texas Department of Insurance, Division of Workers' Compensation (DWC) considers whether DWC should take disciplinary action against Respondent.

Waiver

Respondent acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Respondent waives all of these rights, and any other procedural rights that apply, in consideration of the entry of this consent order.

Findings of Fact

1. Respondent holds a certificate of authority issued by the Texas Department of Insurance to transact the business of insurance pursuant to Tex. Ins. Code §§ 801.051-801.053 and is licensed to write workers' compensation/employers' liability insurance in Texas.
2. Respondent was classified as "average" tier in the 2020, 2022, and 2024 Performance Based Oversight (PBO) assessments.

Failure to Timely Comply with a Contested Case Hearing Decision and Order (CCH D&O)

File No. 38371

3. On Sept. 23, 2025, DWC issued a CCH D&O requiring Respondent to pay temporary income benefits (TIBs) in accordance with the decision, which Respondent received on Sept. 26, 2025.
4. On Oct. 9, 2025, Respondent timely appealed the CCH D&O. Respondent was required to comply with the CCH D&O no later than the fifth day after filing the appeal. The deadline to comply was Oct. 14, 2025.
5. On Oct. 20, 2025, Respondent complied with the CCH D&O by paying \$21,441.30 in TIBs and interest six days late.

Failure to Timely Act on a Medical Bill

File No. 38351

6. On July 21, 2025, DWC ordered an injured employee to attend a designated doctor (DD) examination on Aug. 5, 2025.
7. On Aug. 14, 2025, the DD notified DWC and Respondent that the injured employee did not attend the scheduled DD examination.
8. Also on Aug. 14, 2025, Respondent received a properly completed medical bill for \$625 from the DD for the missed examination. Respondent was required to act on the bill within 45 days of receiving it. The deadline to act was Sept. 29, 2025.
9. On Nov. 4, 2025, Respondent issued an explanation of benefits denying the bill 36 days late.
10. On Dec. 3, 2025, Respondent paid \$625 to the DD 65 days late.

File No. 38350

11. On Dec. 4, 2025, Respondent paid \$6.46 in interest one day late.

Failure to Timely Pay Attorney Fees Ordered by DWC

File No. 38352

12. On Aug. 13, 2025, DWC ordered Respondent to pay \$570 in attorney fees for representing an injured employee at a rate of 25% of each income benefit paid to the injured employee.
13. On Aug. 15 and Aug. 22, 2025, Respondent paid benefits to the injured employee. However, Respondent failed to timely pay \$233.80 in attorney fees at the approved rate, as follows:

	Benefits Paid to IE	Attorney Fee Owed	Date Due	Date Paid	Days Late
a.	\$467.61	\$116.90	08-15-2025	10-03-2025	49
b.	\$467.61	\$116.90	08-22-2025	10-03-2025	42

Assessment of Sanction

1. Compliance with DWC orders is imperative to minimize disputes and resolve them promptly and fairly. In addition, failure to provide income benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
2. Prompt payment of medical bills is imperative to DWC's goal of ensuring that injured employees have access to prompt, high-quality medical care. Failure to promptly pay medical bills and interest harms medical providers economically, increases disputes and exhausts administrative resources in the workers' compensation system. It is a serious violation to fail to timely act on a medical bill involving DD services, which do not require preauthorization and which serve an essential function in the Texas workers' compensation system. Untimely payment can have a chilling effect on a DD's participation in the system.
3. Failure to timely pay attorney fees ordered by DWC hinders the division's goal of providing a _____ and is harmful to the Texas workers' compensation system.

4. In assessing the sanction for this case, DWC fully considered the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e):
- the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act;
 - the history and extent of previous administrative violations;
 - the violator's demonstration of good faith, including actions it took to rectify the consequences of the prohibited act;
 - the penalty necessary to deter future violations;
 - whether the administrative violation had a negative impact on the delivery of benefits to an injured employee;
 - the history of compliance with electronic data interchange requirements;
 - to the extent reasonable, the economic benefit resulting from the prohibited act; and
 - other matters that justice may require, including, but not limited to:
 - PBO assessments;
 - prompt and earnest actions to prevent future violations;
 - self-report of the violation;
 - the size of the company or practice;
 - the effect of a sanction on the availability of health care; and
 - evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
5. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be aggravating:
- a. the violations are serious, involving late action on a DD bill and non-compliance with two DWC orders, which are priority violations under Tex. Lab. Code § 402.0235;
 - b. Respondent has a history of similar administrative violations, including 30 consent orders involving late action on medical bills, eight consent orders involving violation of a CCH D&O, and 13 consent orders involving late attorney fees in the last five years;
 - c. a penalty is necessary to deter future violations;
 - d. the violations negatively impacted the delivery of \$21,387.24 in benefits to an injured employee; and
 - e. Respondent had the highest recidivist rate in fiscal year 2025. Thus, Respondent has a heightened awareness of its legal duty to comply with the Texas Workers' Compensation Act and DWC rules.

6. DWC is aware of no mitigating factors pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
7. Respondent acknowledges communicating with DWC about the relevant statute and rule violations alleged; that the facts establish that the administrative violation(s) occurred; and that the proposed sanction is appropriate, including the factors DWC considered under Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
8. Respondent acknowledges that, in assessing the sanction, DWC considered the factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to Tex. Lab. Code §§ 402.001, 402.00114, 402.00116, 402.00128, 414.002, and 414.003.
2. The commissioner has the authority to dispose of this case informally pursuant to Tex. Gov't Code § 2001.056, Tex. Lab. Code §§ 401.021 and 402.00128(b)(6)-(7), and 28 Tex. Admin. Code § 180.26(h) and (i).
3. Respondent has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intent to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, a rehearing by the commissioner, and judicial review.
4. Pursuant to Tex. Lab. Code § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.
5. Pursuant to Tex. Lab. Code § 415.002(a)(20) and (22), an insurance carrier or its representative commits an administrative violation each time it fails to comply with a DWC rule or a provision of the Texas Workers' Compensation Act.

Failure to Timely Comply with a CCH D&O

File No. 38371

6. Pursuant to Tex. Lab. Code §§ 415.0035(e) and 415.021(a), an insurance carrier commits an administrative violation if it violates, fails to comply with, or refuses to comply with a DWC order.
7. Pursuant to Tex. Lab. Code § 410.169 and 28 Tex. Admin. Code § 142.16, a decision of an administrative law judge regarding benefits is binding during the pendency of an appeal to the appeals panel. A party must comply no later than the fifth day after filing a written request for appeal.
8. Respondent violated Tex. Lab. Code §§ 410.169; 415.002(a)(20) and (22); 415.0035(e), 415.021; and 28 Tex. Admin. Code § 142.16 by failing to timely comply with a DWC order for benefits.

Failure to Timely Act on a Medical Bill

File No. 38351

9. Pursuant to Tex. Lab. Code § 408.027 and 28 Tex. Admin. Code § 133.240, an insurance carrier is required to process and take final action on a completed medical bill within 45 days of receiving the bill.
10. Respondent violated Tex. Lab. Code §§ 408.027; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 133.240 by failing to take final action on a completed medical bill within 45 days of receiving the bill.

Failure to Timely Pay Interest on a Late Medical Bill Payment

File No. 38350

11. Pursuant to Tex. Lab. Code § 413.019(a) and 28 Tex. Admin. Code § 133.240(l), all payments of medical bills that an insurance carrier makes on or after the 60th day after the date the insurance carrier originally received the complete medical bill shall include interest calculated in accordance with § 134.130 of this title without

any action taken by the division. The interest payment shall be paid at the same time as the medical bill payment.

12. Respondent violated Tex. Lab. Code §§ 413.019(a) and 415.002(a)(20); and 28 Tex. Admin. Code § 133.240(l) by failing to timely pay interest on a late medical bill payment.

Failure to Timely Pay Attorney Fees Ordered by DWC

File No. 38352

13. Pursuant to Tex. Lab. Code §§ 415.0035(e) and 415.021(a), an insurance carrier commits an administrative violation if it violates, fails to comply with, or refuses to comply with a DWC order.
14. Pursuant to 28 Tex. Admin. Code § 152.1(c), insurance carriers are required to pay attorney fees ordered by DWC. The insurance carrier must begin payment out of the approved income benefits by mailing a check to the attorney within seven days after receiving the order. As the insurance carrier pays income benefits, it must pay attorney fees until the fees are completely paid or income benefits cease.
15. Respondent violated Tex. Lab. Code §§ 415.002(a)(20) and (22); 415.021(a); 415.0035(e); and 28 Tex. Admin. Code § 152.1(c) each time Respondent failed to timely comply with a DWC order to pay attorney fees.


Order

It is ordered that Indemnity Insurance Company of North America must pay an administrative penalty of \$4,600 within 30 days from the date the Commissioner signs the order.

After receiving an invoice from DWC, Indemnity Insurance Company of North America must pay the administrative penalty either: (1) by electronic transfer using the State Invoice Payment Service; OR (2) by company check, cashier's check, or money order.


To ensure proper check or money order processing:

- Make the check payable to "Texas Division of Workers' Compensation";
- Enclose a copy of the attached invoice with the check or money order; and
- Mail the check or money order to the Texas Department of Insurance, Attn: DWC Enforcement Section, MC AO-9999, PO Box 12030, Austin, Texas 78711-2030.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



Alberto Garcia
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

Confidential Information Redacted
Texas Labor Code §§402.083 and 402.092

Unsworn Declaration

STATE OF Delaware §
§
COUNTY OF New Castle §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Daniel S. Hawthorne. I hold the position of VP, Claim Compliance and am the authorized representative of Indemnity Insurance Company of North America. My business address is:

1 Beaver Valley Road, Wilmington, New Castle, Delaware, 19382.
(Street) (City) (County) (State) (ZIP Code)

I am executing this declaration as part of my assigned duties and responsibilities. I declare under penalty of perjury that the facts stated in this document are true and correct.

Daniel S. Hawthorne
Declarant

Executed on March 27, 2026.